REIGNING IN SPEND LEAKAGES

Through diligent data analysis and synchronization of contract databases.

The client is an American telecommunications giant with revenues of over $130 Billion.
## CHALLENGES

The client with a massive supply chain faced the following challenges:

- Gaps in procure-to-pay (P2P) process
- Spend leakages and overpayments to suppliers
- Lack of visibility in the process
- No clarity on the scale of losses

## SOLUTIONS

Infosys BPM applied its sourcing & procurement expertise followed the below approach:

- Used lean methodology to analyze existing process and identify opportunities for improvements
- Identified issues such as:
  - Bulk prices instead of per unit as per contracts
  - Financial adjustment module
  - Non-availability of latest price details
  - Complex clauses and sub-contracts
  - Reactive approach to leakage identification
- Instituted practice within the buyers of obtaining updated price lists
- Synchronized contract database and ERP systems
- Established a platform to simplify contract elements
- Identified payment discrepancies in payouts to suppliers
- Analyzed open purchase orders to identify leakages
- Converted overall contract pricing to unit price
- Identified target category and top spend suppliers with spend analysis
- Identified inconsistencies in prices with trend analysis
- Established compliance between contracted unit price and purchased price with contract analysis

## BENEFITS

The transformation helped the client with the following:

- Error-proof procurement process
- Real-time price updates
- Better inference of insights to reduce spend leakages
- Improved working capital and contract compliance
- Enhanced vendor relationship

- **$10.74 Mn**
  Spending leakage identified
- **6.44**
  Improved C-SAT score from 5.4